

FLORIDA BULLETIN 98-13

TO: ALL OLD REPUBLIC AGENTS AND BRANCH OFFICES
FROM: JAMES C. RUSSICK, STATE COUNSEL
DATE: DECEMBER 15, 1998
RE: CLOSING PROTECTION LETTER ON COMMITMENT JACKETS

Old Republic Title is pleased to announce that it has obtained approval from the Florida Department of Insurance to include the Insured Closing Service Letter (a/k/a the "ICS Letter" or "Closing Protection Letter") on the inside front cover of our commitment jackets authorized for use in Florida. It is our hope that this will expedite your ability to service any new lender with whom you may do business.

The terms of the Insured Closing Letter have basically not changed. The lender receives all the same coverage that they would receive under the traditional letter. The only difference is the scope of the letter. The traditional letters apply to any transaction conducted by the agent on behalf of the named lender until the letter is revoked or rescinded. The new letter applies only to the transaction contemplated by the commitment to which it is attached.

We believe that this new approach is a distinct improvement over the traditional letter for several significant reasons. The first is your ability to service the insured lender. No longer will you have to call or fax a request for the ICS letter. All you will need to do is issue the commitment, and the required protections will automatically be included. Secondly, the lenders will no longer have to maintain elaborate filing and monitoring systems to make sure they have the letters on file. All too often, the lenders have felt compelled to get a new letter for each transaction. This has further burdened both their systems and ours. Another problem the lenders have experienced is their inability to find their ICS letter when necessary.

There is one potential problem that you may have to address. Often the lender only requires and receives the Schedule A and B prior to closing. When they do not get the commitment jacket, they have no way to assure themselves that they are getting the coverage under the insured closing letter. To remedy this problem, we suggest adding the following statement on Schedule A of the commitment:

"The coverages provided by the Closing Protection Letter printed on the inside cover of this commitment are extended to the proposed insured lender(s) identified herein and to their borrower as applicable under Rule 4-186, Florida Administrative Code."

Please finish using your present supply of commitments. As you reorder, the new jackets will be sent to you. There are no other changes to the commitment.

We are sensitive to the fact that not all lenders will immediately appreciate this new program. Accordingly, we will continue to issue the traditional insured closing service letters as required.

Please feel free to share this memo with any lender concerned about this new program. It should help explain any concerns they may have and answer their anticipated questions. If we may help in any other way, please do not hesitate to contact either Mike Davis, Linda Hernandez or me.